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May 8, 2008

The Honorable James Peake Veterans Affairs Administration 810 Vermont Avenue, NW Washington, DC 20420

Dear Secretary Peake:

Organizations and functions under your direction are categorized as high risk programs by the Government Accountability Office (GAO). GAO has found that federal disability programs are neither well aligned with the 21st century environment nor positioned to provide meaningful and timely support. These programs were designated as being at high risk in 2003 and continue to be so today.

I am writing to express my concern that these programs continue to be designated as high risk after five years. As federal disability programs experience unprecedented growth in the number and complexity of claims filed each year, the Veterans Affairs Administration (VA) continues to use outmoded concepts of disability and experience difficulty in managing its programs. It is well understood that institutional change is often complex and takes both time and resources to transform these often unwieldy programs. However, strategic planning and budgeting can yield staggering results with disciplined management and oversight. As Commissioner, you are uniquely positioned to guide this process.

The VA currently has 59 reports with multiple issues identified by the GAO that remain outstanding. What actions has VA taken to address these issues and achieve removal from the GAO high risk list in January 2009? Your prompt response is greatly appreciated.

Please do not hesitate to contact me or Sheldon Shoemaker of my staff at (202) 228-6476 if you would like to discuss these concerns or other matters.

Sincerely,

CLAIRE McCASKILL United States Senator

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